

This resolution has been filed pursuant to the leadership initiated by my colleague, Senator SANTORUM, who traveled to northeastern Pennsylvania several weeks ago. I went this past Monday. And I think it will put us on a track to show that something can be done immediately. When I say immediately, within the course of the next several weeks.

It had been my hope that we might have been able to make some modification in the price of cheese to have even faster action by the Secretary of Agriculture. But considering the fact that this resolution was drafted on Monday morning and has gone through considerable analysis by a number of Members of the Senate—and I thank my colleagues for their prompt attention to this issue—we are moving now very, very rapidly.

In conclusion, Mr. President, let me point out that there was an extensive study of the Green Bay Cheese Exchange made at the request of the Secretary of Agriculture of the State of Wisconsin, and there were some indications there that because of the limited amount of cheese which was traded there, there was an opportunity to have a price established which was not genuinely a market price. The amount of cheese traded at Green Bay was less than one-half of 1 percent, and where you have such a limited exchange rate and with people at the scene who have a considerable interest in having a lower price of cheese, that result may not have represented the accurate market price of cheese.

The Secretary of Agriculture has the authority unilaterally to make a modification on the price of cheese if he develops an evidentiary base from other transactions which lead him to conclude that is not the fair market price of cheese, and I believe that to be the case. The Secretary of Agriculture had previously initiated the process on informal rulemaking, which would take some considerable period of time. But he does have the authority.

If we may vote at this time, Mr. President, I will conclude.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KOHL. Mr. President, I want to thank the Senator from Pennsylvania for his efforts on this issue.

The Cheese Exchange is of great concern to all dairy farmers nationwide, because it is a market that is very thinly traded, completely unregulated, and has a great deal of influence on the prices that farmers are paid for their milk.

That's why my colleague from Wisconsin, Senator FEINGOLD and I have been working to reduce the influence of the Cheese Exchange. Both Senator FEINGOLD and I introduced legislation on this matter last week. Ultimately, what we need to do is find an alternative price discovery mechanism that is more reflective of market conditions, and less subject to manipulation.

And we have two initiatives underway that could form the basis for new price discovery mechanisms.

First, we've worked with Secretary Glickman to start a new cheese price survey, to survey cheese plants nationwide, to get a better view of prices paid for cheese. If done right, this could be very useful as a price discovery mechanism. But there's still some issues that need to be ironed out.

And second, we've asked other exchanges such as the Coffee, Sugar, Cocoa Exchange to explore the possibility of creating a new cash market for cheese. Again, if this is done right, it could be very useful as a new price discovery mechanism.

But in the short term, the Senator from Pennsylvania is right, we need to delink the National Cheese Exchange from the farmers' milk prices, and we need to do that as soon as possible. Two weeks ago, the Secretary of Agriculture announced a 60-day comment period on that exact proposal. The trick will be to find a new equivalent price mechanism, to take it's place. We need to find a new mechanism that is credible, or we'll merely make matters worse.

So I thank the Senator from Pennsylvania, and I look forward to working with him on this issue, which has been a longstanding concern of mine. As far as I'm concerned, the more Senators become aware of this problem and join our efforts, the better.

Mr. FEINGOLD. Mr. President, I am pleased to join the Senator from Pennsylvania, Senator SPECTER, in submitting the Sense of the Senate Resolution directing the Secretary of Agriculture to take action to delink the National Cheese Exchange from the basic formula price established by USDA under Federal Milk Marketing Orders.

Dairy farmers have been concerned for many years about the role of the National Cheese Exchange, located in Green Bay, WI, in determining the price they receive for their milk. While the exchange has had an indirect influence on milk prices for many years, it also directly affects milk prices through USDA's basic formula price, established by regulation in 1995. For years, Wisconsin farmers have been concerned that the characteristics of the Exchange, outlined in this resolution, make it vulnerable to price manipulation. Those fears were confirmed by a March 1996 report by the University of Wisconsin Department of Agricultural Economics which found evidence supporting the allegations of manipulations. The concerns about manipulation and the influence of the exchange on milk prices nationally, were further heightened by the dramatic and unprecedented decline in cheese prices on the exchange last fall which led to a 26 percent decline in farm milk prices.

The senior Senator from Wisconsin Senator KOHL and I have been working to address the concerns of the UW report for the last 10 months and have introduced legislation to address the short- and long-term problems associated with the Cheese Exchange. The di-

rective of the resolution introduced by the Senator from Pennsylvania is also included in my bill S. 258, the Milk Price Discovery Improvement Act of 1997 which I introduced last week. My legislation goes beyond the directive in the resolution by seeking additional long term solutions to the lack of price discovery in milk markets and by establishing improved USDA oversight of the National Cheese Exchange. S. 256, introduced by the senior Senator from Wisconsin Senator KOHL, which I have cosponsored, would enhance the role of the Commodity Futures Trading Commission in National Cheese Exchange oversight as well.

The resolution we are introducing today, however, emphasizes the importance of quick action on this problem by the Secretary of Agriculture and I am pleased to welcome the Senator from Pennsylvania to our efforts to resolve this very difficult problem. Farmers have a right to expect that milk prices are determined fairly and without manipulation. The resolution introduced today is a step toward reducing the influence of the exchange on farm-level milk prices.

I urge my colleagues to support this resolution and to work with us toward the enactment of S. 258 and S. 256 as well.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. Is the Senator from Pennsylvania propounding a unanimous consent request?

Mr. SPECTER. Mr. President, I am advised that I do have the authority to yield back the time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX] is necessarily absent.

I also announce that the Senator from Vermont [Mr. LEAHY] is absent attending a family funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 83, nays 15, as follows:

[Rollcall Vote No. 11 Leg.]

YEAS—83

Abraham	Boxer	Cleland
Akaka	Bryan	Cochran
Ashcroft	Bumpers	Collins
Baucus	Burns	Conrad
Biden	Byrd	Coverdell
Bingaman	Chafee	D'Amato